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AVOYELLES PARISH CLERK OF COURT
FINANCIAL STATEMENTS

JUNE 30, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/14/09

DUCOTE & COMPANY
Certified Public Accountants
219 North Main Street
P. O. Box 309
Marksville, LA 71351

**AVOYELLES PARISH CLERK OF COURT
Marksville, Louisiana**

**Annual Financial Statements
As of and for the Year Ended June 30, 2008
With Supplemental Information Schedules**

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AVOYELLES PARISH CLERK OF COURT
Marksville, Louisiana

Annual Financial Statements
As of and for the Year Ended June 30, 2008
With Supplemental Information Schedules

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INDEPENDENT AUDITORS' REPORT

The Honorable Samuel G. Couvillon
Avoyelles Parish Clerk of Court
Marksville, Louisiana

We have audited the accompanying financial statements of the governmental activities and remaining fund information, which collectively comprise the basic financial statements, of the Avoyelles Parish Clerk of Court, as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the Avoyelles Parish Clerk of Court's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Avoyelles Parish Clerk of Court, as of June 30, 2008, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 4 through 6 and 27, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information schedules listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Avoyelles Parish Clerk of Court. Such information has been subjected to auditing procedures applied in the audit of the basic financial statements, and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated December 19, 2008 on our consideration of the Avoyelles Parish Clerk of Court's internal control over financial reporting and our tests on its compliance with certain provisions of laws, regulations and contracts. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

DUCOTE & COMPANY

Marksville, Louisiana

December 19, 2008

A handwritten signature in cursive script that reads "Ducote & Company". The signature is written in black ink and has a long, sweeping horizontal line extending from the end of the word "Company".

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

AVOYELLES PARISH CLERK OF COURT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2008

Our discussion and analysis of the Avoyelles Parish Clerk of Court's financial performance provides an overview of the financial activities as of and for the fiscal year ended June 30, 2008. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-wide Financial Statements) provides information about the activities as a whole and present a longer-term view of the Clerk of Court's finances. Fund financial statements start on page 10. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditors have provided assurance in their independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information Schedules is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

Government-Wide Financial Statements

One of the most important questions asked about finances is, "Is the Avoyelles Parish Clerk of Court as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information on the Clerk of Court as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net assets and changes in them. You can think of net assets – the difference between assets and liabilities – as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, to assess the overall health of the Avoyelles Parish Clerk of Court.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the Clerk of Court as a whole. Some funds are required to be established by State laws.

The Clerk of Court uses only the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk of Court's programs. We describe the relationship

(or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliations immediately following the fund financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- As a result of this year's operations assets exceeded liabilities by \$812,060 (net assets) for the fiscal year reported.
- Total net assets are comprised of the following:
 - (1) Invested in capital assets of \$133,634, including cost of office equipment, furniture and fixtures, and automobiles, net of accumulated depreciation.
 - (2) Unrestricted net assets of \$678,426 representing the portion available to maintain the continuing obligation to citizens and creditors.
- The governmental funds reported total ending fund balance of \$678,426, which was classified as unreserved. This compares to the prior year ending fund balance of \$658,907 showing an increase of \$19,519 during the current year.
- Total spending for all judicial activities was \$1,278,428 for the year, which was \$133,462 more than program revenues for these activities of \$1,144,965.

The Statement of Net Assets and the Statement of Activities reports only one type of activity – governmental activities. All of the basic judicial services are reported as this type. Fines and fees charged to the public finance most of these activities.

FINANCIAL ANALYSIS OF THE AVOYELLES PARISH CLERK OF COURT AS A WHOLE

Net assets may serve over time as a useful indicator of a government's financial position. Approximately 16% of the Avoyelles Parish Clerk of Court's net assets reflect its investment in capital assets (e.g. equipment). These assets are not available for future spending. The balance in unrestricted net assets is affected by required depreciation on assets being included in the statement of net assets for the first time.

FINANCIAL ANALYSIS OF THE CLERK OF COURT'S FUNDS

As we noted earlier, the Clerk of Court uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the Clerk of Court is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

As the Clerk of Court completed the year, its governmental fund reported a fund balance of \$678,426. This reflects an increase of \$19,519 from last year. The increase is primarily the result of an overall decrease in expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was not revised this fiscal year.

CAPITAL ASSETS

Capital assets, net of accumulated depreciation, for governmental activities as of June 30, 2008 was \$218,369.

This year there were \$4,200 of additions and there were no deletions. More detailed information about the capital assets is presented in Note 5 to the financial statements.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Avoyelles Parish Clerk of Court's finances and to show the Clerk of Court's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Samuel Couvillon, Avoyelles Parish Clerk of Court, P.O. Box 219, Marksville, LA 71351 at phone number 318-253-7523.

A handwritten signature in black ink, reading "Samuel Couvillon". The signature is fluid and cursive, with the first name "Samuel" and last name "Couvillon" clearly distinguishable.

December 19, 2008

BASIC FINANCIAL STATEMENTS

AVOYELLES PARISH CLERK OF COURT
MARKSVILLE , Louisiana

Statement A

STATEMENT OF NET ASSETS
June 30, 2008

General Fund

ASSETS

Cash and cash equivalents	\$346,277
Investments	320,000
Receivables - fees, charges, and commissions	23,693
Accrued interest receivable	13,912
Due from other funds	200
Prepaid expenses	555
Capital assets (net of accumulated depreciation)	<u>133,634</u>

TOTAL ASSETS \$838,270

LIABILITIES

Accounts Payable	\$9,629
Payroll deductions payable	13,433
Unclaimed property	3,149

TOTAL LIABILITIES 26,211

NET ASSETS

Investment in capital assets	133,634
Unrestricted	<u>678,426</u>

TOTAL NET ASSETS \$812,060

The accompanying notes are an integral part of this financial statement.

AVOYELLES PARISH CLERK OF COURT
MARKSVILLE, LOUISIANAGOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Year Ended June 30, 2008

General government	
Personal service and related benefit	\$752,075
Operating Services	337,309
Materials and supplies	79,155
Travel and other charges	974
Depreciation Expense	<u>88,935</u>
Total Program expenses	<u>1,258,448</u>
Program Revenues	
Licenses and permits	\$9,488
Fees, charges, and commissions for services:	
Court costs, fees, and charges	622,426
Fees for recording legal documents	401,051
Fees for certified copies of documents	83,350
Miscellaneous	9,050
Total program revenues	<u>1,125,365</u>
Net program expenses	(133,082)
General revenues:	
Interest earnings	<u>67,866</u>
Changes in net assets	(65,216)
Net assets - beginning of year	<u>946,491</u>
Net assets - end of year	<u><u>\$881,275</u></u>

The accompanying notes are an integral part of this financial statement.

**AVOYELLES PARISH CLERK OF COURT
MARKSVILLE, LOUISIANA
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2008**

General Fund

ASSETS

Cash and cash equivalents	\$346,277
Investments	320,000
Receivables - fees, charges, and commissions	23,693
Accrued interest receivable	13,912
Due from other funds	200
Prepaid expenses	<u>555</u>

TOTAL ASSETS	<u><u>\$704,636</u></u>
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LIABILITIES AND FUND EQUITY**LIABILITIES**

Accounts Payable	\$9,629
Payroll deductions payable	13,433
Unclaimed property	<u>3,149</u>

TOTAL LIABILITIES	<u>26,211</u>
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FUND EQUITY

Fund Balance	
Unreserved - undesignated	678,426

TOTAL FUND EQUITY	<u>678,426</u>
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TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$704,636</u></u>
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The accompanying notes are an integral part of this financial statement.

AVOUELLES PARISH CLERK OF COURT
MARKSVILLE, LOUISIANAReconciliation of Governmental Funds
Balance Sheet to the Statement of Net Assets
For the Year Ended June 30, 2008

Total fund balances at June 30, 2008 - governmental funds (Statement C)		\$678,426
Less: Accumulated depreciation as of June 30, 2008	<u>545,032</u>	<u>133,634</u>
Long term liabilities at June 30, 2008		0
Net Assets at June 30, 2008 (Statement A)		<u>\$812,060</u>

The accompanying notes are an integral part of this financial statement.

AVOYELLES PARISH CLERK OF COURT
Markksville, Louisiana

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Year Ended June 30, 2008

	<u>General Fund</u>
REVENUES	
Licenses and permits	\$9,488
Fees, charges, and commissions for services:	
Court costs, fees, and charges	622,426
Fees for recording legal documents	401,051
Fees for certified copies of documents	83,350
Miscellaneous	9,050
Use of money and property:	
Interest earnings	67,866
Total revenues	<u>1,193,231</u>
EXPENDITURES	
General government	
Personal service and related benefit	752,075
Operating Services	337,309
Materials and supplies	79,155
Travel and other charges	974
Capital outlay	<u>4,200</u>
Total Expenditures	<u>1,173,713</u>
EXCESS (DEFICIENCY) OF REVENUES	19,519
OVER EXPENDITURES	
OTHER FINANCING SOURCES (USES)	
Appropriations to other governmental units	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES	
AND OTHER FINANCING SOURCES OVER	
EXPENDITURES AND OTHER USES	19,519
FUND BALANCES AT BEGINNING OF YEAR	<u>658,907</u>
FUND BALANCES AT END OF YEAR	<u><u>\$678,426</u></u>

The accompanying notes are an integral part of this financial statement.

AVOYELLES PARISH CLERK OF COURT
MARKSVILLE, Louisiana

Reconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2008

Total net change in fund balances - governmental funds (Statement E) \$19,519

Amounts reported for governmental activities in the Statement
of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the
Statement of Activities, the cost of those assets is allocated over their estimated useful lives
as depreciation expense. This is the amount by which capital outlays exceed depreciation
for the period.

(84,735)

Changes in net assets of governmental activities (Statement B)

\$ (65,216)

The accompanying notes are an integral part of this financial statement.

**AVOYELLES PARISH CLERK OF COURT
MARKSVILLE, LOUISIANA
Statement of Fiduciary Net Assets - Agency Fund
June 30, 2008**

	Advance Deposit Fund	Registry of Court Fund	Total
<hr/>			
ASSETS			
Cash and cash equivalents	\$60,437	\$357,751	\$418,188
Investments	1,095,000	0	1,095,000
NSF Receivable	375	0	375
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$1,155,812	\$357,751	\$1,513,563
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Due to other funds	\$200	\$0	\$200
Unclaimed property	8,485	0	8,485
Unsettled deposits	1,147,127	357,751	1,504,878
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	\$1,155,812	\$357,751	\$1,513,563
	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of this financial statement.

NOTES TO FINANCIAL STATEMENTS

AVOYELLES PARISH CLERK OF COURT
Marksville, Louisiana

Notes to Financial Statements
As of and for the Year Ended June 30, 2008

INTRODUCTION

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the clerk of court serves as the ex-officio notary public; the recorder of conveyances, mortgages, and other acts; and has other duties and powers provided by law. The clerk of court is elected for a four-year term.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Avoyelles Parish Clerk of Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In June of 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments. Certain of the significant changes in the Statement include the following:

For the first time the financial statements include:

A Management Discussion and Analysis (MD&A) section providing an analysis of the Clerk's overall financial position and results of operations.

Financial statements prepared using the full accrual accounting for all of the Clerk's activities.

These and other changes are reflected in the accompanying financial statements (including notes to the financial statements).

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Avoyelles Parish Police Jury is the financial reporting entity for Avoyelles Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Avoyelles Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

AVOYELLES PARISH CLERK OF COURT
Marksville, Louisiana

Notes to Financial Statements, (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. REPORTING ENTITY, (Continued)

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The Avoyelles Parish Police Jury, the financial reporting entity, has determined that the Avoyelles Parish Clerk of Court is not a component unit of the Avoyelles Parish Police Jury. The accompanying financial statements, therefore, present information only on the funds maintained by the clerk of court and do not present information on the police jury, the general government services *provided by that governmental unit, or the other governmental units that comprise that financial reporting entity.*

C. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS

The clerk of court's basic financial statements include both government-wide (reporting the clerk or court as a whole) and fund financial statements (reporting the clerk's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the clerk are classified as governmental.

The Statement of Net Assets (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the clerk, except fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

In the Statement of Net Assets, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognized all long-term assets and receivable as well as long-term obligations. Net assets are reported in three parts; invested in capital assets, net of any related debt; restricted net assets; and unrestricted net assets.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gain, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gain, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

AVOYELLES PARISH CLERK OF COURT
Marksville, Louisiana

Notes to Financial Statements, (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

C. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS (Continued)

Program Revenues – Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the clerk's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the clerk's general revenues.

Allocation of Indirect Expenses – The clerk reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

D. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the clerk are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the clerk. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees.

Fiduciary funds are used to account for assets held for others. The clerk of court's current operations requires the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the clerk are described as follows:

Governmental Funds

Governmental funds account for all or most of the clerk's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Clerk of Court.

AVOYELLES PARISH CLERK OF COURT
Marksville, Louisiana

Notes to Financial Statements, (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

D. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS (Continued)

General Fund – the primary operating fund of the clerk and it accounts for all financial resources, except those required to be accounted for in other funds. *The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to clerk policy.*

Fiduciary Funds

The Advance Deposit, and Registry of Court agency funds are used to account for assets held as an agent for others. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

E. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

Accrual

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds and the fiduciary type agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The clerk considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred. The governmental funds use the following practices in recording revenues and expenditures:

**AVOYELLES PARISH CLERK OF COURT
Marksville, Louisiana**

Notes to Financial Statements, (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

E. BASIS OF ACCOUNTING (Continued)

Revenues

Intergovernmental revenue, recording, cancellations, court attendance, criminal costs, and other fees, charges, and commissions for services are recorded in the year in which they are earned.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recognized when received by the clerk of court.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

F. BUDGET PRACTICES

The proposed budget for the 2008 fiscal year was made available for public inspection at the clerk's office on June 7, 2008. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 13 days prior to the public hearing. The budget hearing was held at the clerk's office on June 19, 2008. The budget is legally adopted and amended, as necessary, by the clerk. All appropriations lapse at year-end.

Formal budget integration (within the accounting records) is not employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

G. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest bearing demand deposits and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the clerk of court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the clerk of court may invest in the United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

AVOYELLES PARISH CLERK OF COURT
Marksville, Louisiana

Notes to Financial Statements, (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

H. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The clerk maintains a threshold level of \$250 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20 – 40 years
Furniture and fixtures	5 – 10 years
Vehicles	5 – 10 years
Equipment	5 – 10 years

I. COMPENSATED ABSENCES

The clerk of court has the following policy relating to vacation and sick leave: Employees of the clerk's office earn two weeks of vacation leave each year. Vacation leave must be used in the year earned. Employees are allowed seven days of sick leave each year. Sick leave is noncumulative.

There are no accumulated or vested vacation and sick leave benefits which require accrual to conform with generally accepted accounting principles.

J. FUND EQUITY

Reserves

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

AVOYELLES PARISH CLERK OF COURT
Marksville, Louisiana

Notes to Financial Statements, (Continued)

2. CASH AND CASH EQUIVALENTS

At June 30, 2008, the clerk of court has cash and cash equivalents (book balances) totaling \$764,465 as follows:

Petty cash	\$ 50
Demand deposits	406,664
Interest bearing demand deposits	<u>357,751</u>
Total	<u><u>\$ 764,465</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledge securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parities. At June 30, 2008, the clerk has \$2,313,026 in deposits (collected bank balances). These deposits are secured from risk by \$2,005,835 of federal deposit insurance and \$307,191 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the clerk of court that the fiscal agent has failed to pay deposited funds upon demand.

3. INVESTMENTS

At June 30, 2008, the clerk of court holds investments totaling \$1,415,000 as follows:

	<u>Carrying Amount</u>	<u>Market Value</u>
Certificates of Deposits	<u>\$1,415,000</u>	<u>\$1,415,000</u>
Total	<u><u>\$1,415,000</u></u>	<u><u>\$1,415,000</u></u>

These investments are stated on the balance sheet at cost. The investments are in the name of the clerk and are held at the clerk's office. Because the certificates are in the name of the clerk and are held by the clerk or the clerk's agent, the certificates are considered insured and registered, Category 3, in applying the credit risk of GASB Codification Section 150.164.

AVOYELLES PARISH CLERK OF COURT
Marksville, Louisiana

Notes to Financial Statements, (Continued)

4. RECEIVABLES

Receivables in the general fund totaled \$23,693 at June 30, 2008 detailed as follows:

Accounts Receivable	
Current	\$19,905
Over 30 days	995
Over 60 days	<u>2,793</u>
Total Receivables	<u>\$23,693</u>

5. CAPITAL ASSETS

Capital assets and depreciation activity for the year ended June 30, 2007 is as follows:

Governmental Activities

Balance June 30, 2007	\$ 674,466
Fiscal Year 2007-08:	
Additions	4,200
Deletions	<u>-</u>
Balance June 30, 2008	678,666
Less accumulated depreciation	<u>545,032</u>
Net Capital Assets	<u>\$ 133,634</u>

6. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund unsettled deposits follows:

	Unsettled Deposits at Beginning of Year	Additions	Reductions	Unsettled Deposits at End of Year
Agency funds:				
Advance Deposit	\$ 1,124,721	\$ 1,102,415	\$ 1,080,009	\$ 1,147,127
Registry of Court	251,437	171,917	65,603	357,751
Total	<u>\$1,376,158</u>	<u>\$1,274,332</u>	<u>\$1,145,612</u>	<u>\$1,504,878</u>

AVOYELLES PARISH CLERK OF COURT
Marksville, Louisiana

Notes to Financial Statements, (Continued)

7. PENSION PLAN

Plan Description. Substantially all employees of the Avoyelles Parish Clerk of Court are members of the Louisiana Clerk of Court Retirement and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their Final-average salary is the employee's average salary not to exceed 100 percent of their final average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (504) 293-1162.

Funding Policy. Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Avoyelles Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 10 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Avoyelles Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Avoyelles Parish Clerk of Court's contributions to the System for the years ending June 30, 2008, 2007, and 2006 were \$104,324, \$126,814, and \$115,896, respectively, equal to the required contributions for each year.

8. DEFERRED COMPENSATION PLAN

Beginning in July 2000 the Clerk elected to participate in the Louisiana Public Employees Deferred Compensation Plan State of Louisiana, a component unit of the State of Louisiana. The plan offers its participants (eligible public employees) a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

AVOYELLES PARISH CLERK OF COURT
Marksville, Louisiana

Notes to Financial Statements, (Continued)

8. DEFERRED COMPENSATION PLAN (continued)

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributed to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State (without being restricted to the provisions of benefits under the plan), subject only to the claims of the State's general creditors. Participant's rights under the plan are equal to those of general creditors of the State in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the State's legal counsel that the State has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The State believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

10. OTHER POSTEMPLOYMENT BENEFITS

The Avoyelles Parish Clerk of Court provides certain continuing health care and life insurance benefits for retired employees. Substantially all of the clerk's employees become eligible for these benefits if they reach normal retirement age while working for the clerk of court. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the clerk of court. The clerk of court recognizes the cost of providing these benefits (the clerk's portion of premiums) as an expenditure when the monthly premiums are due. The cost of providing these benefits for the 6 retirees is not separable from the cost of providing benefits for the 16 active employees.

11. LITIGATION

At June 30, 2008, the Avoyelles Parish Clerk of Court was not involved in any litigation and legal counsel is not aware of any unasserted claims.

12. EXPENDITURES OF CLERK OF COURT PAID BY THE PARISH POLICE JURY

Certain operating expenditures of the clerk's office are paid by the parish police jury are not included in the accompanying financial statements. These expenditures are summarized as follows:

Property/General liability insurance	<u>\$2,098</u>
Total	<u>\$2,098</u>

REQUIRED SUPPLEMENTARY INFORMATION

PART II

**AVOYELLES PARISH CLERK OF COURT
MARKSVILLE, Louisiana**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2008**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance- favorable (unfavorable)
REVENUES				
Licenses and permits	\$7,500	\$7,500	\$9,488	\$1,988
Fees, charges, and commissions for services:				
Court costs, fees, and charges	575,000	575,000	622,426	47,426
Fees for recording legal documents	425,000	425,000	401,051	401,051
Fees for certified copies of documents	75,000	75,000	83,350	8,350
Subscribed Services	75,000	75,000	0	(75,000)
Miscellaneous	5,000	5,000	9,050	4,050
Use of money and property:				
Interest earnings	45,000	45,000	67,866	22,866
Total revenues	<u>1,207,500</u>	<u>1,207,500</u>	<u>1,193,231</u>	<u>(14,269)</u>
EXPENDITURES				
General government				
Personal service and related benefit	765,000	765,000	752,075	(12,925)
Operating Services	300,000	300,000	337,309	37,309
Materials and supplies	125,000	125,000	79,155	(45,845)
Travel and other charges	2,500	2,500	974	(1,526)
Capital outlay	<u>25,000</u>	<u>25,000</u>	<u>4,200</u>	<u>(20,800)</u>
Total Expenditures	<u>1,217,500</u>	<u>1,217,500</u>	<u>1,173,713</u>	<u>(43,787)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(10,000)</u>	<u>(10,000)</u>	<u>19,519</u>	<u>29,519</u>
OTHER FINANCING SOURCES (USES)				
Appropriations to other governmental units	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	<u>(10,000)</u>	<u>(10,000)</u>	<u>19,519</u>	<u>29,519</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>658,907</u>	<u>658,907</u>	<u>658,907</u>	<u>0</u>
FUND BALANCES AT END OF YEAR	<u>\$648,907</u>	<u>\$648,907</u>	<u>\$678,426</u>	<u>\$29,519</u>

**AVOYELLES PARISH CLERK OF COURT
Marksville, Louisiana**

**Notes to Budgetary Comparison Schedule
For the Year Ended June 30, 2008**

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Avoyelles Parish Clerk of Court's office during the month of June for comments from taxpayers. The budget is then legally adopted by the clerk and amended during the year, as necessary. The budget is established and controlled by the clerk at the object level of expenditure. Appropriations lapse at year-end and must be re-appropriated for the following year to be expended.

Formal budgetary integration within the accounting records is not employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

OTHER SUPPLEMENTARY INFORMATION

PART III

FIDUCIARY FUND TYPE - AGENCY FUNDS

ADVANCE DEPOSIT FUND

The Advance Deposit fund, as provided by Louisiana Revised Statute 13:842, accounts for advance deposits on suits filed by litigants. The advances are refundable to the litigants after all cost have been paid.

REGISTRY OF COURT FUND

The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, accounts for funds which have been ordered by the court to be held until judgement had been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.

**AVOUELLES PARISH CLERK OF COURT
MARKSVILLE, Louisiana**

FIDUCIARY FUNDS - AGENCY FUND

**Combing Schedule of Changes on Unsettled Balances
For the Year Ended June 30, 2008**

	Advance Deposit Fund	Registry of Court Fund	Total
UNSETTLED DEPOSITS AT BEGINNING OF YEAR	\$1,124,721	\$251,436	\$1,376,157
Additions			
Deposits			
Suits and Successions	1,102,395	0	1,102,395
Judgements	0	167,837	167,837
Interest earnings on investments	20	4,080	4,100
Total Additions	1,102,415	171,917	1,274,332
Reductions			
Clerk's costs (transferred to General Fund)	594,792	0	594,792
Settlements to litigants	292,353	62,476	354,829
Attorney, curator, and notary	7,035	0	7,035
Judge's fees	45,012	0	45,012
Witnesses, appraisers, etc	2,419	0	2,419
Sheriff's fees	118,647	0	118,647
Other reductions	19,753	3,125	22,878
Total Reductions	1,080,010	65,602	1,145,612
UNSETTLED DEPOSITS AT END OF YEAR	\$1,147,127	\$357,751	\$1,504,878

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART IV**

The Honorable Samuel G. Couvillion
Avoyelles Parish Clerk of Court
Marksville, Louisiana

We have audited the basic financial statements of the Avoyelles Parish Clerk of Court, as of and for the year ended June 30, 2008, and have issued our report thereon dated December 19, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Avoyelles Parish Clerk of Court's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Avoyelles Parish Clerk of Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Avoyelles Parish Clerk of Court's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purposed described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as described above.

Compliance

As part of obtaining reasonable assurance about whether Avoyelles Parish Clerk of Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information and use of the management of the Avoyelles Parish Clerk of Court and for filing with the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified users. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

DUCOTE & COMPANY

Marksville, Louisiana

December 19, 2008

A handwritten signature in black ink that reads "Ducote & Company". The signature is written in a cursive, flowing style with a long, sweeping underline that extends to the right.

AVOYELLES PARISH CLERK OF COURT
Marksville, Louisiana

Schedule of Audit Results, Findings, and Questioned Costs
For the Year Ended June 30, 2008

Section I – Summary of Auditors' Results

Type of auditors' report issued:	Unqualified	
Internal control over financial reporting:		
Material weakness(es) identified?	_____yes	___x___no
Reportable condition(s) identified not		
Considered to be material weakness(es)	_____yes	___x___no
Noncompliance material to financial statements noted?	_____yes	___x___no

Section II – Summary of Current Year Audit Findings

None

**AVOYELLES PARISH CLERK OF COURT
Marksville, Louisiana**

**Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008**

Finding Ref No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Planned Corrective Action / Partial Action Taken
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Section I-Internal Control and Compliance Material to the Financial Statements

None reported in prior year.

Section II-Management Letter

None reported in prior year.

**AVOYELLES PARISH CLERK OF COURT
Marksville, Louisiana**

**Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2008**

<u>Ref No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
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Section I – Internal Control and Compliance Material to the Financial Statements

None

Section II – Management Letter Comments

None